

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: INTERSTATE POWER AND LIGHT COMPANY	DOCKET NO. P-859
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PROPOSED DECISION AND ORDER GRANTING PERMIT

(Issued September 7, 2004)

APPEARANCES:

MR. ALLAN KNIEP, Attorney at Law, 321 East Walnut Street, Suite 373, Des Moines, Iowa 50309, appearing on behalf of Interstate Power and Light Company.

MR. JOHN DWYER, Attorney at Law, 310 Maple Street, Des Moines, Iowa 50319, appearing on behalf of the Iowa Department of Justice, Office of Consumer Advocate.

STATEMENT OF THE CASE

On June 25, 2004, Interstate Power and Light Company (IPL) filed a petition and exhibits for a permit to construct, operate, and maintain a 6-inch diameter transmission pipeline approximately 1.44 miles long for the transportation of natural gas in Hardin County, Iowa. (petition for permit; testimony of Mr. Shrimplin; O'Neal report). IPL amended its petition on July 12 and 26, and August 20, 2004. (petition for permit). The proposed pipeline will provide natural gas to the Iowa Falls Ethanol Plant south of Iowa Falls, Iowa. (petition for permit; O'Neal report; testimony of Mr. Shrimplin).

On July 26, 2004, the Utilities Board (Board) assigned this case to the undersigned administrative law judge, who issued an order establishing a procedural schedule, proposing to take official notice, and providing notice of the hearing on August 2, 2004. In that order, the undersigned set a date for the hearing on the petition, and proposed to take official notice of a report concerning the proposed pipeline prepared by Mr. Jeffrey O'Neal, regulatory engineer for the Board's Safety and Engineering Section, dated July 16, 2004. At the request of IPL, the hearing date was changed to September 7, 2004, in an order issued August 10, 2004. IPL filed prepared direct testimony of Mr. Micheal Shrimplin on August 17, 2004.

The hearing was held on September 7, 2004, in Board Conference Room 3, 350 Maple Street, Des Moines, Iowa. IPL was represented by its attorney, Mr. Allan Kniep. Mr. Micheal Shrimplin, engineer for Alliant Energy Corporate Services, Inc., was connected to the hearing by telephone conference call and testified on behalf of IPL. (testimony of Mr. Shrimplin). The Consumer Advocate Division of the Department of Justice (Consumer Advocate) was represented by its attorney, Mr. John Dwyer. Mr. Jeffrey O'Neal testified on behalf of the Board.

FINDINGS OF FACT

1. IPL is a pipeline company within the meaning of Iowa Code § 479.2 (2003). (testimony of Mr. Shrimplin).
2. On June 25, 2004, IPL filed a petition and exhibits for a permit to construct, operate, and maintain approximately 1.44 miles of 6-inch diameter

transmission pipeline for the transportation of natural gas in Hardin County, Iowa. (petition for permit; testimony of Mr. Shrimplin; O'Neal report). IPL amended its petition on July 12 and 26, and August 20, 2004. (petition for permit). The proposed pipeline will have a maximum allowable operating pressure of 175 psig. (petition for permit; testimony of Mr. Shrimplin; O'Neal report).

3. The proposed pipeline will follow a route described in Exhibit A and shown on Exhibit B attached to the petition for a permit (as amended). (petition Exhibits A and B). It will begin at the Iowa Falls Gate Station on the south side of Iowa Falls, then run in a westerly direction to a regulation station to be located on the Iowa Falls Ethanol Plant site. (petition for permit; O'Neal report; testimony of Mr. Shrimplin). The proposed pipeline will provide natural gas used to process corn into ethanol fuel. (petition for permit; O'Neal report; testimony of Mr. Shrimplin).

4. IPL caused notice of the hearing to be published in Hardin County in the Times Citizen, a newspaper of general circulation in the county, on August 21 and 28, 2004. (proof of publication).

5. This pipeline is necessary to provide natural gas to the Iowa Falls Ethanol Plant currently under construction south of Iowa Falls in Hardin County, Iowa. (petition for permit; O'Neal report; testimony of Mr. Shrimplin). The Iowa Falls Ethanol Plant will use natural gas to process corn into ethanol fuel. (testimony of Mr. Shrimplin). Natural gas is a clean burning fuel that will produce fewer emissions, and thus a less negative impact on air quality, than some alternate fuels available for

manufacturing processes. (testimony of Mr. Shrimplin). The ethanol plant will enhance the economy by providing new jobs and add to the tax base of Hardin County. (testimony of Mr. Shrimplin). Therefore, the proposed pipeline will promote the public convenience and necessity as required by Iowa Code § 479.12. (petition for permit; testimony of Mr. Shrimplin; O'Neal report).

6. The proposed pipeline will comply with the design, construction, and safety requirements of Iowa Code Chapter 479, 199 IAC § 10.12, and 49 C.F.R. Part 192. (petition for permit; testimony of Mr. Shrimplin; O'Neal report). IPL will maintain a minimum separation of ten feet between the pipeline and electric transmission lines and structures. (testimony of Mr. Shrimplin). No further safety-related terms, conditions, or restrictions need to be imposed pursuant to Iowa Code § 479.12. (petition for permit; testimony of Mr. Shrimplin; O'Neal report).

7. The location and route of the proposed pipeline are reasonable and no further terms, conditions, or restrictions regarding them need to be imposed pursuant to Iowa Code § 479.12. (petition for permit; O'Neal report; testimony of Mr. Shrimplin).

8. IPL owns property subject to execution within this state, other than pipelines, of a value in excess of \$250,000 as required by Iowa Code § 479.26 and 199 IAC 10.2(1)"d." (testimony of Mr. Shrimplin; petition exhibit D).

9. No written objections to the petition for a permit were filed and no objectors appeared at the hearing. (testimony of Mr. O'Neal; Docket P-859 file).

10. IPL will construct the pipeline within the public road right-of-way of Riverside Drive, Brooks Road, and 140th Street, and will not acquire private easements along the route. (petition for permit; testimony of Mr. Shrimplin). One easement will be purchased from the ethanol plant for gas facilities to be constructed on the plant site. (testimony of Mr. Shrimplin). IPL has not filed a showing of consent by Hardin County and the City of Iowa City for the longitudinal occupancy in road right-of-way and road crossings at other than an approximate right angle. (testimony of Mr. Shrimplin, Mr. O'Neal; O'Neal report).

CONCLUSIONS OF LAW

1. The Board has the authority to grant, amend, and renew permits for the construction, operation, and maintenance of pipelines for the intrastate transportation of natural gas. Iowa Code §§ 479.1, 479.4, 479.12, and 479.18; 199 IAC Chapter 10.

2. Since the proposed pipeline will not be constructed on agricultural land, IPL was not required to file a land restoration plan with its petition. Iowa Code § 479.29; 199 IAC 9.

3. The Board has jurisdiction over IPL and over the petition for a natural gas pipeline permit it has filed. Iowa Code §§ 479.2, 479.5, 479.6, 479.12, and 479.18.

4. The petition of IPL for issuance of a permit for the natural gas pipeline in this docket should be granted. Iowa Code §§ 479.11, 479.12, and 479.26; 199 IAC 10.

5. A pipeline permit will not be issued by the Board until IPL files a showing of consent by Hardin County and the city of Iowa Falls for the proposed pipeline's longitudinal occupancy in road right-of-way and road crossings at other than an approximate right angle. 199 IAC 10.14(2).

IT IS THEREFORE ORDERED:

1. Official notice is taken of the report dated July 16, 2004, filed in this docket by Mr. Jeffrey O'Neal, regulatory engineer for the Board.

2. Pursuant to Iowa Code Chapter 479, the petition for a pipeline permit filed by IPL in this docket is granted. A permit will be issued if this proposed decision and order becomes the final order of the Board. However, a pipeline permit will not be issued until IPL files a showing of consent by Hardin County and the city of Iowa Falls for the proposed pipeline's longitudinal occupancy in road right-of-way and road crossings at other than an approximate right angle.

3. IPL must provide timely notice to the Board before beginning construction of the pipeline, and must also file weekly progress reports during construction of the pipeline with the Board.

4. After IPL completes construction of the new pipeline, it must file a construction completion report with the Board. This report must include information regarding any unusual construction problems or occurrences, and a copy of the pressure test procedures used and the results obtained.

5. Within 180 days after completion of the construction of the new pipeline, IPL must file a map that accurately shows the location of the pipeline route as constructed. The map will be a part of the record in this case and will represent the final route as authorized by the permit.

6. The Board retains jurisdiction of the subject matter in this docket.

7. Ordinarily, this proposed decision would become the final decision of the Board unless appealed to the Board within 15 days of its issuance. Iowa Code § 17A.15(3); 199 IAC § 7.8(2). However, under appropriate circumstances, the appeal period may be shortened. Iowa Code § 17A.15(3); 199 IAC 1.3, 7.8(2). IPL requested expedited treatment of this case. No written objections to the petition were filed, the Consumer Advocate does not object to a reduced appeal period, and there are no unresolved issues that indicate a need for the 15-day appeal period. Therefore, this proposed decision will become the final decision of the Board unless appealed to the Board within five (5) days of its issuance.

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 7th day of September, 2004.